

# MINUTES - EMPLOYEE INSURANCE AND PENSION BENEFITS COMMITTEE

September 21, 2015

- 1) Call to Order: Chairperson Clarke Castelle called the meeting to order at 7:00 p.m. in Conference Room 2.
- 2) Roll Call: Members Present: Sharon Braverman, Clarke Castelle, Jon Kehl, Jay Slater (left at 8:37), John Slusarski, Terrence Sullivan, Paul Vessella and Michael Wilbur  
Members Absent: Beth DelBuono, Dennis Doyle and Jay Krusell  
  
Staff Present: Ann Harter, Charlene Drzata and Lou Jachimowicz  
Others present: Marc Shegoski, Ashley Martella and Dave McCluskey
- 3) Minutes: Jay Slater made a motion to accept the minutes of May 18, 2015, seconded by Jon Kehl. The motion passed unanimously.
- 4) Public Participation: None
- 5) Lockton: Dave McCluskey reported that the 2014-15 plan year ended with a positive margin of \$814,114. The Town had a positive margin of \$82,215 and the Board of Education had a positive margin of \$731,899. Dave also reported that there were ten large claims that exceeded 50% of the \$175,000 individual stop loss amount. Two of those claims exceeded the individual stop loss amount by \$136,732. Dave reported that he just received the final 2014-15 Settlement report from Anthem which he will review to confirm the final numbers. Dave reported that after the first two months of the 2015-16 plan year, the Town has a negative margin of \$129,829 and the Board of Education has a positive margin of \$109,354. The Town experienced one large claim in July.  
  
UBS: Marc Shegoski presented a summary of the market and economic outlook. Ashley Martella reviewed the 2nd quarter Pension Fund Performance summary. The returns for the 2nd quarter were -0.37% which was slightly ahead of the benchmark of -0.43%. Ashley Martella reviewed the quarterly returns for each investment manager and noted that most managers performed as expected. Ashley presented the OPEB quarterly report and reviewed the performance of each fund. UBS then made a recommendation to trim the Oppenheimer Developing Markets Fund from 5% to 2% and move 1% each to Natixis Oakmark International Fund, MFS International Value Fund and the American Funds. After some discussion, Jon Kehl made a motion to accept the recommendation by UBS to downsize the Oppenheimer Developing Markets Fund to 2% and allocating 1% each to Natixis Oakmark International Fund, MFS International Value Fund and the American Funds. Motion seconded by Terrence Sullivan. The motion passed unanimously. The OPEB mid cap funds were reviewed. There was an in-depth discussion of possible replacements of the Vanguard Mid Cap Index Fund within the OPEB. The decision was to add the T. Rowe Price Mid Cap Growth, rather than some of the other presented alternatives, due to its stronger performance track record, focus on growth and low fee structure. UBS did mention that the fund was larger in size and its focus was on larger capitalization companies than the typical mid cap manager which is worth monitoring in the future. After further discussion, Jon Kehl made a motion to replace Vanguard Mid Cap Index with T. Rowe Price Mid Cap Growth Fund. Motion seconded by Terrence Sullivan. The motion passed unanimously.
- 6) Remarks by Committee Members – Clarke Castelle recommended that consideration be given to put the draft of the EIPBC Ordinance prepared by John Slusarski on the next agenda for discussion. Paul Vessella and other committee members acknowledged Clarke Castelle for all his efforts as chairperson of the committee.
- 7) Next Meeting: Date to be determined.
- 8) Adjournment: Paul Vessella made a motion to adjourn, seconded by Sharon Braverman. The motion passed unanimously. The meeting adjourned at 9:00 p.m.

Respectfully submitted,

Charlene J. Drzata  
Insurance & Benefits Administrator